

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES SECURITIES AND
EXCHANGE COMMISSION,

Plaintiff,

20 Civ. 10849 (LGS)

-against-

ORDER

STEFAN QIN et al.,

Defendants.

LORNA G. SCHOFIELD, District Judge:

WHEREAS, on October 4, 2021, the Initial Fee Application submitted by Court-appointed Receiver Robert A. Musiala, Jr., Esq. (the “Receiver”) of Baker & Hostetler LLP (“Baker Hostetler”), was granted in part, and the Receiver was directed to resubmit its application, making any necessary corrections to address the issues described in that order (Dkt. No. 91).

WHEREAS, on October 15, 2021, Court-appointed Receiver Robert A. Musiala, Jr., Esq. (the “Receiver”) of Baker & Hostetler LLP (“Baker Hostetler”) filed a Certified Second Fee Application (the “Second Fee Application”) seeking approval of the payment of fees and expenses incurred between April 1, 2021 and June 30, 2021 (the “Application Period”). The Second Fee Application seeks approval of payments in the following amounts: \$1,337,026.01 (BakerHostetler), \$877,516.24 (Ankura) and \$1,320.00 (Nelsons) (collectively, the “Receiver Team”). The Receiver further requests that in the event the Court chooses to hold back 20% of the fees and expenses, that the Court approve the reduced payments, totaling \$1,069,620.81 (BakerHostetler), \$702,012.99 (Ankura Consulting Group) (“Ankura”) and \$1,056.00 (Nelsons Attorneys-at Law, Ltd) (“Nelsons”).

WHEREAS, on October 18, 2021, the Receiver resubmitted the Initial Fee Application (the “Resubmitted Initial Fee Application”). It is hereby

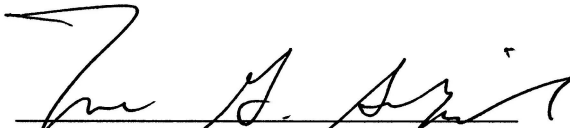
ORDERED that the Resubmitted Initial Fee Application is **GRANTED**. The Receiver is authorized to make payments for the total amounts requested in that application. It is further

ORDERED that the Second Fee Application is **GRANTED**. “‘A receiver appointed by a court who reasonably and diligently discharges his duties is entitled to be fairly compensated for services rendered and expenses incurred.’” *SEC v. Amerindo Inv. Advisors Inc.*, No. 5 Civ. 5231, 2019 WL 3526590, at *4 (S.D.N.Y. Aug. 2, 2019) (quoting *SEC v. Byers*, 590 F. Supp. 2d 637, 644 (S.D.N.Y. 2008)). “Like fee awards in other contexts, the reasonableness of a receiver's fee application is determined in the court's discretion, and is judged by, among other things, the reasonableness of the hourly rate charged and the reasonableness of the number of hours billed.” *Id.* (internal citation omitted). In determining a reasonable fee, the Court considers a number of factors, including (1) “the complexity of problems faced,” (2) “the benefit to the receivership estate,” (3) “the quality of the work performed,” and (4) “the time records presented.” *Byers*, 590 F. Supp. at 644.

Here, the SEC reviewed and approved both fee applications. The SEC’s approval is “given great weight” in determining the reasonableness of the compensation and reimbursement sought by a receiver. *Id.* The Receiver and its team are engaged in highly complex and time-intensive work, which has resulted in a number of benefits for the Receivership, as outlined in the applications. The Receiver’s work includes conducting approximately 59 witness interviews, serving approximately 48 subpoenas on various third parties to obtain additional information to assist in identifying and recovering receivership property and liquidating cryptocurrency and transferring its value to the receivership bank account. The hourly rates remain significantly

discounted from the ordinary rates of the Receiver and Ankura, resulting in a combined total discount and fee write-off of \$546,266.00 and \$386,705.00, respectively. In connection with the Fee Application, the Receiver and the Receiver Team submitted invoices detailing the work performed.

Dated: November 9, 2021
New York, New York


LORNA G. SCHOFIELD
UNITED STATES DISTRICT JUDGE